

**MINUTES OF THE REGULAR MEETING OF THE
WASHINGTON STATE TRANSPORTATION COMMISSION
February 20 and 21, 2002**

The regular meeting of the Washington State Transportation Commission was called to order at 9:00 a.m., on February 20th, 2002, in Room 1D2 of the Transportation Building in Olympia, Washington.

Commissioners present were: Chris Marr, Ed Barnes, Aubrey Davis, Elmira Forner, George Kargianis, A. Michèle Maher and Connie Niva.

APPROVAL OF MINUTES

It was moved by Commissioner Barnes, and seconded by Commissioner Niva, to approve the minutes of the January 9 and 10, 2002 Commission meeting. The motion was approved unanimously.

TRANSPORTATION COMMISSION ADMINISTRATOR REPORT

Chris Rose, Transportation Commission Administrator, discussed the Commission's Tariff Rules Hearing scheduled for April 4. The meeting will begin with a briefing from Mike Thorne, Washington State Ferries CEO. This will be followed by the rules hearing and public comment period. In the afternoon the Commission will meet with the Ferry Advisory Committee Executive Committee to talk about their perspective of where the ferry system is now and where it is going. Washington State Ferries (WSF) has also arranged a tour of the operation center at Coleman Dock.

Mr. Rose discussed the Commission's local meetings that are scheduled for May 22 in Ellensburg and June 28 in Seattle and indicated that he and the appropriate commissioners have been working with the respective regional administrators in working out the details.

Mr. Rose discussed the schedule of the upcoming public tariff hearings. He indicated that Commissioner Davis volunteered to attend the Bremerton public meeting on February 28, Commissioners Forner and Barnes both volunteered to attend the San Juan hearings on March 6, and Commissioner Niva volunteered to attend the March 12 hearing at Vashon Island. He indicated that if other commissioners wish to attend any of the hearings, additional dates are Port Orchard on February 26, Kingston on March 4, and Port Townsend on March 5. Commissioner Marr commented on the importance of commissioner attendance at these meetings, particularly in those areas that will be subjected to fare increases.

Commissioner Marr talked about the Commission's 01-03 budget and the Governor's requests of various agencies in terms of reducing hiring and costs.

Commissioner Marr reported that he has been talking with Mr. Rose about moving forward with a reduction process even though the Commission is not obligated to comply with the Governor's directive. He asked Mr. Rose to undergo a fairly rigorous analysis to figure out where a five or six percent savings could be attainable, beyond the already minimal staffing, and figure out what the core products really are and what areas he would recommend that the Commission look at in terms of excising some dollars. He expressed that he wants the Commission to be on board with the budget process.

OFFICE OF THE SECRETARY REPORTS

Secretary MacDonald discussed legislation that has successfully made it through the Legislature. He referred to the first bill as corrective legislation dealing with the Department's ability to convey land. The current process is statutorily authorized with respect to local governments, counties, and cities. He indicated that there was a gap in the law pertaining to tribes. SSB 5209 will allow federally recognized tribes to purchase surplus real property from the Department.

Secretary MacDonald introduced Colleen Jollie, Director of the Tribal Liaison Office. She shared frustrations experienced by various tribes because of the gap in this statute, as well as her efforts in getting this "housekeeping" legislation passed through the process. Ms. Jollie briefly discussed a new spur line that runs from Toppenish to White Swan and serves the nation's new sawmill.

Secretary MacDonald discussed the reform legislation, ESHB 2304. He provided a handout to the commissioners that explained what the bill does and what it will mean to the Department. He indicated that this bill would allow the Department to contract out for the people resources needs, and allows a steady level of employment at the Department rather than ramping up and then reducing staff later on. This bill was essential for being able to deliver the new law revenues based on the program that is being discussed in the Legislature. He discussed the changes in the prevailing wage law. He pointed out that the changes were relatively modest and essentially provided refinements in the way the prevailing wage is administered.

Commissioner Davis brought up a previous discussion regarding the difficulties imposed on contractors and the Department in reference to the differences in state and federal prevailing wage laws. He asked if anything has been done to get a simpler process in place. John Conrad, Assistant Secretary, Engineering and Regional Operations, stated that the Department of Labor and Industries (L&I) has a committee with representatives from the Department and across the state that is working on improvements in the way prevailing wages are calculated. He indicated it has been an on-going process and they have produced positive benefits. Commissioner Barnes indicated that he would like to hear from the work group and further discuss this issue.

Secretary MacDonald discussed the benchmarks portion of the legislation and

indicated that the main purpose is to assure the public that the Department is delivering the programs. He indicated that this is not a cost savings measure, but rather, an accountability mechanism. He stated that it would give the public a better sense of the value they are getting for their money. Commissioner Barnes stated that he would like a report produced for the Legislature that shows what cost savings are achieved with contracting out.

David Spivey, Asphalt Alliance, introduced John Duval, Project Engineer for the Asphalt Institute, Butch Brooks, Woodworth & Company, and Tim Lee, Lakeside Industries. They came to present the Perpetual Pavement Award to the Department for I-90. The Perpetual Award is given by the Asphalt Alliance which is a group made up of the National Asphalt Paving Associational Asphalt Institute and the Asphalt Paving Association of Washington. It is given for asphalt pavements that have been providing the motoring public with service for 35 years or more and are still structurally sound.

John Conrad, Assistant Secretary, Engineering and Regional Operations, introduced Bob Schuster and asked him to accept the award for the Department. Mr. Schuster praised the Department's Materials Lab and the Department's engineers. Mr. Spivey then presented the Perpetual Pavement Award to Mr. Schuster. Secretary MacDonald thanked the group for presenting this award to the Department.

Mr. Conrad, informed the Commission that the Department was contacted by the Utah Department of Transportation last November asking for help with incident response during the 2002 Olympics. He indicated that Utah has spent numerous hours with WSDOT sharing what they have learned during their design-build project on I-15. He pointed out that Utah offered to pay all the expenses. He stated that the volunteers from the regions are taking pictures and notes and will prepare a report upon their return. Mr. Conrad introduced three members of the team who have returned home - Willie Ramsey, Olympic Region, Clancy Urdrian, NW Region and Arie Vanderzouwen, NW Region. They briefly described their experiences.

STATUS REPORT ON 2002 LEGISLATIVE SESSION

Don Griffith, Director, Legislative & Strategic Management Relations, provided a handout to the Commission that highlighted legislation that pertains to transportation. He reported that the House Democratic leadership will be having a press conference tomorrow to announce its revenue package for transportation, and that the House Transportation Committee will be having a public hearing tomorrow afternoon on the revenue package. He discussed the efficiencies and reform legislation which has four pieces: establishment of transportation performance measures, providing alternative delivery procedures for construction services, apprenticeships in assuring that the state meets its delivery issues, and transportation planning and efficiencies. He then discussed both the Tacoma Narrows Bridge and Regionalism legislation and shared differences between the House and Senate versions. He reported that there are currently four revenue

proposals in the Legislature and provided a brief description of each proposal.

Secretary MacDonald talked about the Department's efforts in obtaining public confidence in order to get a revenue package passed. He shared that he and Steve Reinmuth, Assistant Attorney General, are working on a publication called "News You Can Use" which will provide information and answers to questions that the public may have regarding the gas tax proposal.

Commissioner Barnes thanked Don Griffith and Secretary MacDonald for the work they have done with the Legislature.

Secretary MacDonald indicated that there has been discussion in the Legislature whether HOV lanes should be general purpose lanes during the weekends. He indicated that the Department is working on data regarding the HOV system and will be prepared to support the Commission in making a recommendation.

MEASURES, MARKERS AND MILEPOST GRAY NOTEBOOK FOR THE QUARTER ENDING DECEMBER 31, 2001

Daniela Bremmer, Director of Strategic Assessment, provided the Commission with copies of the new Gray Notebook. She discussed the ferry system indicating that the strategic measurement team has been working with Mike Thorne, the new WSF CEO. She indicated that the focus is on customers and what is important to customers. She pointed out new elements in the Gray Notebook that allows the Department to track on-time performance and measure the performance of the Ferry System. She then discussed Amtrak services and the decline of ridership since September 11. She indicated that border crossing delays and custom delays contributed to the decline.

Kirk Frederickson, Rail Planning & Policy Coordinator, indicated that the Department plans to compare Amtrak Cascade service with Washington State's participation in the financing of that service, with the other states across the United States. This information will be in the next Gray Notebook. Secretary MacDonald discussed farebox recovery and where and how the Department will make its investment to improve not just the service, but also the performance of the service from a financial standpoint.

Ms. Bremmer discussed the Commute Trip Reduction Program and indicated that the numbers show a positive increase in commute trip reduction. She indicated that the next Gray Notebook will provide information on security issues in the park and ride lots.

Secretary MacDonald discussed environmental issues. He introduced Paul Wagner, Biology Program Manager, Environmental Affairs Office, who works with the fish passage barrier program and Richard Tveten, Erosion Control Coordinator, Environmental Affairs Office, who works in the water quality measurement section. He indicated that the Department is working hard to reposition the Department as a place

were the environment is cared about and where environmental improvements are something that are being derived as dividends for other work that is being done. He indicated that the Department has been working closely with the Department of Fish and Wildlife.

Secretary MacDonald talked about water quality and construction site runoff. He indicated that the Department measures water quality at construction sites, but is looking at what practical means can be used to do more of this type of assessment. This data is used to help in doing better. Mr. Wagner discussed the monitoring process of the assessments.

Ms. Bremmer discussed the Bridge Assessment Program and indicated this is also a new item in the Gray Notebook. She stated that the Department is trying to show the performance assessment for the bridge assessment program. This is part of the work that was accomplished with the efforts of the Commission's Benchmark Committee.

Ms. Bremmer discussed pavement management, roughness index, incident response, congestion measurements, snow and ice information, and construction project delivery. She mentioned the 2001 goals and pointed out areas of failure. She stated that the information would be used in assuring that the targets are met in the future. She concluded with discussion on safety issues indicating that they have been working with L&I. Secretary MacDonald thanked Gerry Rasmussen for his illustration work in the Gray Notebook.

PUBLIC AND LEGISLATOR COMMENT PERIOD

Paul W. Locke talked about funding and stated that he thinks the state is running out of people to pay the bills. He believes that the state needs to get a better return on the public's money that is being spent. He feels that the City of Seattle is wasting money fixing potholes, and stated that the repairs don't last a week because of overweight transit buses. He stated that there isn't enough money to continue this increase in expenditures when the income is not there to support it.

RECOGNITION OF DAN SNOW

It was moved by Commissioner Davis, and seconded by Commissioner Maher, to approve Resolution No. 627. The motion was approved unanimously.

Commissioner Davis presented a Resolution to Dan Snow, Executive Director of the Washington State Transit Association, recognizing him for his commitment to transit and his significance in changing Washington State transportation. He stated that in 1977 the Commission changed from the Highway Commission to Transportation Commission, and one of the symbols that represents this change is what has happened to transit in the past 30 years. He indicated that Dan Snow has been a part of that from the beginning;

starting as a driver, working in a number of administrative jobs, and finally taking responsibility for representing the industry in Olympia dealing with public transit issues. He congratulated Mr. Snow for his contribution and history with what has made a change in the way our state functions in transportation. He stated that Mr. Snow is a good symbol of what has happened here and is responsible for a good bit of it. Commissioner Niva thanked Mr. Snow for all of his work.

Mr. Snow stated that he was deeply honored and indicated that the Transportation Commission has always meant a lot to him. He stated that the Transportation Commission is one of the champions of multi-modal efforts. He thanked all of the Commissioners.

PROJECT UPDATE: I-90 SNOQUALMIE PASS EAST PROJECT

Don Whitehouse, Regional Administrator, South Central Region, discussed the importance of the I-90 project. He indicated that this is an issue of economic vitality, safety and recreation. He introduced Todd Trepanier, Asst. Regional Administrator for Planning and Program Management and Randy Giles, Snoqualmie Pass East Project Manager.

Mr. Trepanier discussed avalanches, which was the original focus of planning for this part of I-90. He indicated there are frequent avalanches and that the Region has an operational policy in place where it routinely closes the road to all traffic to do avalanche work. He discussed concrete pavement that is deteriorating rapidly and needs to be replaced. He pointed out that it is 38 years old and has served well. The Department did an asphalt overlay for a short-term fix, however, it knew it wouldn't last due to extreme temperatures, snowplows and studded tires and chains. Routine maintenance is necessary to hold it together which leads to lane closures and driver frustration. He indicated that this route is a high accident location. He also stated that there are some unstable slopes that without any warning will drop rock and debris and dirt on the roadway resulting in serious threat to life and property. He indicated that with the poor alignments on this roadway, people often do not see the debris until they hit it. He stated that sometimes these slides take multiple days to clear. He discussed the need for new snow parks and rest areas, indicating that the existing facilities are not large enough to handle the amount of people using this corridor for recreational purposes. He indicated that I-90 is the only interstate in the United States that has been designated a Scenic Byway, which makes it unique and different than many of the sections that the Department works on.

Randy Giles, Snoqualmie Pass East Project Manager, indicated that the Mountain to Sound Greenway Trust was the key group responsible for the byway designation. They were also instrumental in helping to develop a corridor master plan for the I-90 project. This group's mission is to protect and enhance scenic beauty, recreational opportunities, wildlife habitat, historic communities, and healthy economies in a multi-

purpose greenway along I-90. He indicated that by using private donations as well as land and water conservation funds they have recently acquired several parcels immediately adjacent to I-90 and placed them under public ownership for conservation purposes. In 1997 the Department partnered with the Forest Service to do a barrier affects study on I-90 on animal movements and habitat. He stated that providing for connectivity has proved to be an interesting process, in that it has given them an opportunity to do more than mitigate for the impacts of the freeway, but has also allowed them to improve the environmental conditions in the area while addressing transportation solutions.

Mr. Trepanier discussed solutions that have been developed. The freeway will be widened from 4 to 6 lanes; the dangerous curves will be straightened out, the concrete pavement will be replaced to provide a long lasting, low maintenance roadway, and the 13 remaining identified rock-slide areas will be stabilized and/or removed, keeping in mind the scenic nature of the corridor. He indicated that during construction, temporary widening would be utilized to keep four lanes of traffic moving. He discussed some of the alternatives that have been developed to accomplish the construction necessary between MP 55 at Hyak and MP 70 at Easton. He indicated that there are sufficient dollars in this biennium to complete the environmental impact statement and hopefully complete a record of decision by the end of the biennium. He stated that it would cost \$12 million for design that will be needed to start construction. If funding were available, the project could be underway in 2004.

2002 CONSTRUCTION PUBLIC INFORMATION PROGRAM AND CONSTRUCTION STRATEGY

Linda Mullen, Communication Director, briefed the Commission regarding the upcoming summer communications program for the Department's summer construction program. In order to obtain a starting point, the regions were asked to identify projects that were "high impact". These are defined as presenting a high impact to either commuters or to tourists. This information will then be used to let the public know where the construction is taking place, what the impacts are going to be, and what the Department is doing to help minimize the impacts. She pointed out that the Department uses several different tools to communicate with the public, i.e. Communicators in every region and HQ, highway radios, the website and press releases. She indicated that sometimes the messages aren't always the same, so the Department is working to make sure the messages are coordinated and consistent amongst the tools and messages.

Ms. Mullen discussed the enormous amount of letters and emails that come through her office, particularly when a large project is impacting traffic flow. Rather than respond to each individual email as they did in the past, the Communications Office pulls the information together and sends out a group email. With these emails, the office also creates a distribution list to keep people informed as a particular project goes on. The office also participates in web chat rooms that various newspapers host to get to people about project information. She indicated that the Department has also expanded the

information given to reporters, really giving them deep background on the project, so when they write their stories, they know exactly what the Department is doing and why.

John Conrad, Assistant Secretary, Engineering and Regional Operations, indicated that he is pushing hard on a new approach: get in - stay in - get out - stay out, when doing construction, with a very focused customer approach aimed at minimizing delays and communicating with the motorists as much as possible as to what is actually happening. He pointed out that this philosophy is easy to talk about, but much more difficult to ingrain throughout the Department

Mr. Conrad stated that as a general approach on any project, the Department would maintain as many lanes of traffic as possible. He indicated that the Department is working with contractors to come up with innovative ways to stage projects to both minimize impact and also get the projects done quicker. In a number of cases, the Department is paying the contractors incentives to finish their work more quickly. Mr. Conrad discussed the Department's bidding policy indicating that the Department has always done its bidding on a low bid basis; the lowest dollar amount wins the bid. He indicated that the Department is looking at a new approach called "A" plus "B" bidding where "A" is the contractors dollar amount to do the project and "B" is their bid on the number of days they think it will take to do the project.

Mr. Conrad stated that as the Department approaches the construction season, it is imperative that the project offices and the Communications Office work jointly in constantly communicating with the public.

Commissioner Kargianis asked how the cost/time element is factored in a situation where a contractor is low bidder cost wise, but will take more time to complete. Mr. Conrad explained that a user delay cost is computed based on the number of days the contractor bid. There are national formulas that can be used. He indicated that the number of days a contractor bids is converted into a dollar amount and then added to the cost of the bid to determine what the low bid would be. Mr. Conrad pointed out that the dollars would not change hands for the time portion of the contract, but that this process helps to assess who can do the project with the least amount of money, in the least amount of time.

Commissioner Barnes asked if other factors were considered in the bid process in obtaining the most qualified contractor other than dollars and time. Mr. Conrad explained the pre-qualification process for a company that wants to be a prime contractor. Prime contractors are primarily pre-qualified on their financial ability to do the work. At the conclusion of every project, the Department completes a Prime Contractor Evaluation Report, in which the contractor is scored on safety, quality of work, and their ability to provide paperwork and work in partnership with the Department. Of a possible score of 150, the Department considers a score of 100 a passing grade. If a contractor scores less than that, the contractor is placed on notice and given one more chance. If the contractor

receives another failing grade, they may be disqualified. Commissioner Forner expressed concern with smaller communities not having as many contractors bidding on projects and asked if there is a process where disqualified contractors can be reinstated. Mr. Conrad explained that these contractors could be placed on what is called a Conditional Pre-Qual, which is where the Department will consider giving them bid documents on a project-by-project basis.

ADOPTION OF THE WASHINGTON'S TRANSPORTATION PLAN 2003-2022

It was moved by Commissioner Niva, and seconded by Commissioner Maher, to adopt Resolution No. 628. The motion passed unanimously.

Todd Carlson, Acting Manager, Transportation Planning Office, indicated that he is happy to have completed Washington's Transportation Plan (WTP). He thanked the modal planners in the agency, regional planners in the regions, Regional Transportation Planning Organization (RTPO) staff and elected officials for their involvement in making a plan that includes all the needs for the state of Washington. He also recognized Daniela Bremmer, Director of Strategic Assessment, and Seth Stark, Policy Planner, for their efforts in making this document possible.

Commissioner Forner indicated she was pleased that this document became a working document rather than one set in concrete, so that as the economy and events change throughout the state it can be adapted to meet the needs in the regions. Commissioner Marr commended Commissioner Kargianis for his efforts in taking the lead on this issue. Commissioner Kargianis indicated his appreciation to Mr. Carlson and staff in addressing his concerns and the need to look into the future. He also suggested that somewhere down the line, the Department might stretch the envelope and put out preliminary plans and/or concepts, which would support detailed planning in the future looking to additional highway and transportation infrastructures in the next 20 years. He mentioned the I-90 east west corridor and the possibility of additional east west corridors, or routes that would envision among other things tunneling through the cascades, providing an all-weather, all-season passage way for passengers and freight. He would also like to see the next corridor through the eastern part of King/Snohomish area in the future. He indicated that it is a long ways away, but that he would like to see the Department try to envision what this state will look like in 20 years and have in mind the lag time between the planning and actual implementation of the improvement.

Commissioner Davis expressed his appreciation to staff for their sensitivity to his concerns regarding the plan. He feels that enough adjustment was made to make this a satisfactory plan. Commissioners Kargianis and Barnes also expressed their appreciation to staff for their hard work. Commissioner Forner stated that she met with Representatives and Senators and they expressed a need for the Commission to take a stronger leadership role in defining the transportation needs of the state of Washington. She pointed out the importance of sharing the WTP with the Legislature. She also

expressed her appreciation to staff for their work on the WTP and for providing a document that shows that the Commission is in fact taking a leadership role in the transportation needs of the state.

Commissioner Kargianis asked when the next review of the WTP would be. Mr. Carlson stated that a date has not yet been set, however, it will depend on what happens in the Legislature. He indicated that the next step for the update of the plan is on hold until after the Legislative session. Commissioner Maher pointed out that the Highway System Plan is updated every two years.

Commissioner Davis asked how someone can know what project this plan assumes. Mr. Carlson indicated that the projects are available on compact disk which could be mailed out, and that it is also available on their website.

ADOPTION OF THE 2003-2022 HIGHWAY SYSTEM PLAN

It was moved by Commissioner Maher, and seconded by Commissioner Niva, to approve Resolution No. 629. The motion passed unanimously.

Elizabeth Robbins, Director, Planning, Advocacy, and Initiatives, pointed out that the Highway System Plan is the highway component of the WTP. It is the next step toward delivery, and is a 20-year compilation of needs primarily in the improvement program and describes the highway system and what the Department does to keep the system alive and growing. She introduced Greg Lippincott, Acting Systems Planning Manager, and thanked him for all of his efforts in putting together the Highway System Plan.

Mr. Lippincott recognized the efforts of the Highway System Core Group, which is a group of statewide planners and program managers that have been instrumental in pulling the plan together. In particular, he recognized Greg Selstead who effectively built a foundation on which to build the plan, and Chris Picard, Planning & Policy Office in Seattle, for his efforts in pointing out ways to do things better.

Commissioner Niva thanked the group for their efforts in making this plan a complete and accurate document.

Commissioner Marr asked if the Department has ever looked at past projects and where they ended up in relation to original cost estimates. Mr. Lippincott indicated that in the future this document will include projects that have been implemented. Ms. Robbins pointed out that they did look at past projects, primarily in the preservation program and the environmental retrofit program.

Mr. Lippincott indicated that now that this process is fresh in their minds, the technical team will be looking at what has been done well, and what could be done better. He welcomed feedback from the Commission. Commissioner Marr expressed the need for communication between the Metropolitan Planning Organization's (MPO) and the RTPO's, and urged the Department to invite that communication. He feels it is critical to have this communication in order to increasingly move forward with this process.

WSDOT/WSP JOINT OPERATING AGREEMENT

Brian Ziegler, Director, Maintenance and Operations, discussed the Joint Operating Agreement between the Washington State Department of Transportation and the Washington State Patrol (WSP), which was approved and signed. He stated that in working with the WSP in creating this agreement he was amazed at how much the two agencies have in common and how much opportunity there is to save the taxpayers dollars.

Ronal Serpas, Chief, Washington State Patrol, commended Secretary MacDonald for his approach and leadership in helping to create a joint operating policy with the Patrol. He touched briefly on a few items in the agreement, which included clearing accidents quicker and partnering in new technology. He indicated that the WSP will be meeting with Mike Thorne, Washington State Ferries CEO, next week to get a true sense of the issues WSF faces. He expressed his excitement in working with the Department and plans to continue to explore and expand on the joint relationship.

Secretary MacDonald pointed out that much more work than was expected went into this document. He informed the Commissioners that the Governor is expected to challenge agencies all over the state to get together on a program which the Governor coins "Government in the New Millennium". One issue stressed heavily in this program is for agencies to work with each other in an effort to show better results to the public. Commissioner Marr expressed urgency in working together in clearing roadway accidents. He shared that in the past he has sensed some disconnect between the State Patrol and the Department and is very pleased with the cooperation efforts.

Steve Jewell, Deputy Chief, WSP, discussed how the State Patrol will be using photogrammetry to clear accident scenes more quickly. He explained that it could sometimes take several hours to collect accident data, but by using photogrammetry, it may take only an hour or even minutes to collect. Chief Serpas indicated that they have to do this process parallel with the regular system until there is a case in court where they can demonstrate that there is no significant difference in the mathematic formula and no significant difference in the outcome. The WSP plans to move on this as quickly as possible.

Commissioner Kargianis expressed his desire to see more WSP security personnel

on Washington State Ferries. He also stated that he would like to see one entity have the authority to direct emergency vehicles at an accident site. Chief Serpas pointed out that the key is for the State Patrol to work together with all emergency response personnel because each plays a vital role in clearing an accident. He indicated, however, that there are laws in place that on all state highways and interstate highways, if there is a significant event, the State Patrol is the default command of the incident.

Secretary MacDonald pointed out that every public sector service has been trained and has an awareness of incident command system strategies. He indicated that the problem occurs when there are three or four different agencies, each of which has their own incident command systems, all to come together. He feels it is clearly WSP's role to be incident command, however, it becomes unclear when there is a situation of hazardous materials where other public safety jurisdictions, under law, can come in and take command. This is not a power issue, but rather a work-together issue.

Mr. Rose indicated that Item 15, Capital Programming: Regional Improvement Program Proposal, was deferred.

COMMISSIONER REPORTS

Commissioner Niva reported that she spoke to the Everett Lions Club and talked about transportation. She also reported that she had the opportunity to hand out the King County CTR Award. She indicated that she was given statistics on the CTR program, and was amazed with the program's success. She met with Department and City of Seattle staff to discuss coordination between the Department and the City of Seattle on the Alaskan Way Viaduct project. She expressed urgency and a need to keep moving on this project. She reported that she attended a TEA-21 meeting in Olympia and pointed out that the TEA-21 group is concentrating on primary programs in an effort to attract as much federal money to this state as possible. She reported that she recently went to Cuba. She briefly discussed their transportation system. They have a difficult transportation system, in that there few cars on the road and they have a bus system that is not quite adequate to manage the people. They also have an element called "camels" (similar to a bus), which is a diesel truck front, which has been welded to two containers with windows in them. When they need to, they can get 250-300 people on these "camels".

Commissioner Barnes reported on the I-5 Corridor Study indicating that the meetings are well attended. At the last meeting the focus group identified 17 different transportation needs for the I-5, I-205 and I-84 Corridor crossings. The Corps of Engineers was able to get Burlington Northern Santa Fe to agree to look at the hazard of the existing railroad bridge that crosses the Columbia River as a river hazard so the bridge

could be rebuilt. He reported that the dredging is going extremely well and good environmental reports have come back. He also reported that he has spent a considerable amount of time at the Legislature. Yesterday he attended the Women's Transportation Conference in Seattle. He briefly discussed regionalization and reported that some people in the Southwest Region are not happy with either the House or Senate versions. This issue is still being worked on.

Commissioner Kargianis reported that he attended an executive committee meeting of the I-405 Corridor. The group is gearing up for the EIS evaluation of which funding is available to carry forward with the program. He and Commissioner Davis will provide a full report as the planning progresses. He reported that he attended several meetings including the Eastside Transportation Partnership. He indicated that he met with Chris Rose and Jim Slakey and has taken an interest in the Amtrak situation both on a short term and long-term basis. He reminded Commissioners of a resolution that they passed to encourage Congress to continue to fund this essential part of the nationwide transportation system. He reported that there are a number of plans underway to ensure continued funding and a number of solutions being contemplated including privatization. He reported that he met with John Sibold to discuss the utilization of the various regional airports that DOT has to determine.

Commissioner Maher reported that she was in Olympia three weeks in a row attending transportation meetings, and the Economic Development and Transportation Committee meeting. She also reported that she went to the Tri Cities RTPO meeting.

Commissioner Forner reported that on February 5 she appeared before the Senate Transportation Committee where they confirmed her appointment as Transportation Commissioner. She attended the Good Roads Breakfast, the Construction Conference in Wenatchee, an MPO meeting where they are forming the first MPO, in the North Central Region, a meeting regarding Pangborn Airport, the Economic Development and Transportation Committee meeting, and the Women's Transportation Seminar. She also met with the Senate Republican caucus and met with the Rural Economic Development Legislative Committee that is made up of people from all four caucuses.

Commissioner Davis reported that he met with group that is organizing a value pricing conference that will be in May. Aside from attending the usual Puget Sound Regional Council and Eastside Transportation Partnership meetings, he also attended the Benchmark Committee meeting in SeaTac. He reported that he spent a lot of time working on the Trans Lake Washington Project and the Alaskan Way Viaduct. He indicated that he met with the Democratic legislative leadership on an idea that two retired engineers had to save money on the Alaskan Way Viaduct. He told the group that he would try to arrange a meeting between the two engineers and the Department where these issues could be discussed. The meeting was held and both he and Commissioner Niva attended. He reported that he spoke to Representative Fisher about the need for money in the Supplemental Budget for SR 520 and the Alaskan Way Viaduct.

Commissioner Niva indicated that she spoke with Senator Haugen two weeks ago and she said it wasn't appropriate to take money out of other projects.

Commissioner Marr reported that he attended the Women's Transportation Seminar annual meeting on January 14, where Commissioner Davis received a lifetime achievement award. He reported that he attended the Benchmark Committee meeting on January 18. He attended the bill signing for ESHB 2304, the Blue Ribbon Efficiencies and Reform bill on January 30. Following the bill signing, he gave a brief presentation to the Senate Democratic and Senate Republican caucuses. He attended the Officer's Group meeting on February 5, the Good Roads breakfast, and the Spokesman Review Editorial Board with Secretary MacDonald, Linda Mullen, and Jerry Lenzi. He met with the Association of Washington Business to discuss transportation. He reported that he met with Peter Hurley with Transportation Choices to talk about the Commute Trip Reduction program and transit. He also reported that he would be speaking to the Society of Professional Engineers and other local groups in the next couple weeks.

The Commission meeting recessed at 5:30 p.m. on February 20, 2002.

The regular meeting of the Washington State Transportation Commission was reconvened at 9:00 a.m., on February 21, 2002, in Room 1D2 of the Transportation Building in Olympia, Washington.

WSDOT 2003-05 OPERATING BUDGET DEVELOPMENT

Helga Morgenstern, Assistant Secretary, Administration and Support Division, discussed the 03-05 Operating Budget Development. She indicated that the Department does not know what the current law budget for the upcoming biennium will be. What the Department has done is build a "pro forma" for 03-05. The Department received a letter from OFM that indicated the \$100 million in revenue support from the general fund was not forth coming for the 01-03 biennium. The Department is still waiting for legislative action. Ms. Morgenstern indicated that there is not much detail to share, however, she stated that its good to talk about current law budget development, because it gives everyone a chance to confirm and/or analyze the assumptions that would be employed in whatever current law budget is built.

Commissioner Kargianis inquired about the reality of the pro forma scenario. Ms. Morgenstern stated that the "pro forma" is based on the fact that the Department would lose the \$100 million general fund support and that there would be no new revenue for the future. The Department continues to follow the logic, which the Commission has agreed to, that builds an operating program and the capital program. Ms. Morgenstern stated that there is no change to the existing state tax source forecast. However, on the Federal

side there is the Realigned Budget Authority (RABA) adjustment in which the numbers swing from \$9.7 billion nationally, to somewhere around \$6 billion. She indicated that there is a lot of pressure on Congress to not decrease the federal investments in highway construction.

Ms. Morgenstern then discussed bonds assumed in the pro forma scenario. She indicated that the Department is going from a current \$505 million to \$183 million. The \$183 million was an assumption that was made by legislative committees and agreed to by the Office of Financial Management in their six-year planning horizon. She then discussed the federal money for next biennium and indicated that the pro forma scenario does not yet recognize the possible RABA adjustments.

Ms. Morgenstern stated that most operating expenditures are paid for using state money. Federal money is not used for highway maintenance or ferry operations. Some federal money is used to pay for public transportation and rail, as well as planning activities. Gas tax that is received from cities and counties and also some local contributions on operating programs would be a reimbursable operating program that is paid for by local money. All bond proceeds go to the capital side, as well as most of the federal and local funds; the state piece is there to match federal funds, as well as whatever state money is remaining.

Commissioner Niva reported that she heard that the state bond rate was being reduced due to the fiscal problems, and asked if this would affect gas tax bonds. Ms. Morgenstern indicated that it does.

Commissioner Maher asked for clarification of the lower federal reimbursement in 03-05 and a one-time acceleration in 01-03. Ms. Morgenstern stated that when the Department was facing the I-695 cutback, the expenditure of federal money was accelerated.

Ms. Morgenstern stated the pro forma scenario defined what was the core mission program for the Department, for example, maintenance, ferry operations, and traffic operations, and determined that there would not be any growth in these core mission programs, but inflation would be allowed. She then discussed the multi-modal fund program, such as public transportation and rail and the passenger-only ferries. These programs would be constrained by available revenues into the multi-modal fund because there is no interchangeability with the Motor Vehicle Fund. She indicated that a similar assumption was made with the Aviation program, where aviation revenues are dedicated.

Ms. Morgenstern stated that for capital facilities, only the operating components would be allowed inflation, because if there are no major renovations, operations will have to continue. For administration and support programs, each program would be cut by five percent. These programs also would not receive an inflation adjustment.

Commissioner Kargianis expressed concern that it may appear that the Commission is approving a strict operating budget and wanted it on the record that this is not the Commission's direction or intention. Commissioner Niva pointed out that the Commission is obligated by law to create a current law budget. She also stated that if there is no new money at the end of this session, this is what the budget would be.

Commissioner Forner asked about emergency funds. Ms. Morgenstern indicated that there is not an emergency fund in the transportation budget. If there were an emergency in transportation, the Department would ask for federal emergency relief, depending on the incident. The other option is to adjust within the programs so the Department could take care of the emergency.

Commissioner Davis asked what determines the amount for ferry capital. Ms. Morgenstern stated that the numbers was established by looking at needed preservation activities in order to keep the boats sea worthy.

Ms. Morgenstern talked about highway construction workforce. She indicated that in the worst-case scenario, there would be about 800 FTE's that would not be supported by the available funding level. Losing that amount of engineering expertise will make it very difficult to build up to any kind of reasonable delivery level.

John Conrad, Assistant Secretary, Engineering and Regional Operations, discussed how the Department manages the maintenance program through the Maintenance Accountability Process. The Department manages the program through 34 different activities categorized in seven different groups, and measured level of service outcomes from each of those. Mr. Conrad provided a handout that demonstrates the measurements that are used on an A through F scale for each of the seven functional areas within Maintenance. He indicated that the Department sets targets working with the Commission and the Legislature for each of the 34 activities, and then manages the program to reach those targets.

Mr. Conrad provided a handout that showed expenditure trends over a year, in both a constant dollar and inflated basis. He stated that on a constant dollar basis, the program has not grown much since the early 1990s. He indicated, however, that the inventory of things that are taken care of has increased substantially, and that since 1980, the workforce has gone down by eight percent.

Commissioner Forner asked about lawsuits against the Department due to accidents and the level of road service. Mr. Conrad indicated that there are lawsuits that are filed for engineering related causes and maintenance related causes. The maintenance related causes are winter related maintenance where there is an allegation that the Department did not sand the road, or left an icy spot. Commissioner Kargianis discussed litigation against the Department on lack of bridge deck maintenance on the Evergreen Point Bridge.

Mr. Conrad discussed the targeted level service and indicated that out of 34 different activities, the Department has exceeded the target level service in 18 areas, failed two of the targets, and the remaining they hit the target. He indicated that with the current program, plus inflation, the Department could hit all of the targets in the biennium, including the two that were missed. To do this, they would lower the service levels down to the targets in the 18 areas where they have been exceeded. However, there are risks associated with doing this, i.e., natural disasters and ESA regulations. Also, this is assuming that a portion of the \$100 million cut in the supplemental budget does not come out of maintenance. He also stated that the public would notice a difference as services levels drop in those areas where the target had been exceeded. He indicated that none of the targets would be exceeded in the next biennium.

Ms. Morgenstern concluded the presentation by pointing out the purpose was to get the Commission to start thinking about the realm of possibilities in the way of budget priorities and assumptions as the Department proceeds step-by-step to a current law budget in September.

COMMENTS REGARDING THE FUTURE DIRECTION OF THE USDOT & FHWA

Daniel Mathis, Division Administrator, Federal Highway Administration (FHWA), discussed the reauthorization of TEA-21. He provided the Commissioners with a handout and discussed each bulleted item. 1) Assuring adequate and predictable funding under Norm Mineta's listing. He indicated that there is concern with the Realigned Budget Authority (RABA), and how it will effect transportation funding, specifically highway funding. He stated that Congress is dealing with this issue. 2) Preserving funding flexibility. Basically, this allows states and locals to determine how they want to apply their federal funds, and gives them flexibility in moving them around and using them where they see the need. 3) Expanding and improving innovative financing programs in order to encourage private sector investment. He pointed out the lack of funding available for transportation needs and indicated that this encourages the use of innovative financing to help get some private sector investment into the transportation system. 4) Emphasizing the security of the nation's surface transportation system. This item is a result of September 11. He indicated that this is a very important part of the administration and Norm Mineta's goals for building on TEA-21. 5) Making substantial improvements in the safety of the nation's surface transportation system. He indicated that 41,000 people are killed annually on the highway system and there is a need for continued work on improving the safety of the transportation system. 6) Simplifying Federal transportation programs and continuing efforts to streamline project implementation. One of the key issues is the endangered species act. He indicated that the administration is looking at streamlining the environmental laws and regulations in order to get projects delivered more quickly and efficiently. 7) Fostering "intelligent everything". Using technology to help in getting more capacity out of the existing

highway system. (8) Focusing more on the management and performance of the system as a whole rather than "inputs" or the functional components such as planning, development, construction, operation and maintenance themselves.

Commissioner Kargianis asked if there is current legislation under consideration by transportation committees to increase the levels of Federal gasoline taxes. Mr. Mathis indicated that there has been no discussion of increasing the Federal gasoline tax at this time, however, one thing that is being talked about is taking the 2- _ cents that is being collected for ethanol that goes into the general fund, and shifting that into the Highway Trust Fund. He indicated this would result in somewhere between \$400 and \$500 million additional revenue for transportation programs.

2003-2005 CAPITAL PROGRAM DEVELOPMENT

Rick Smith, Director, Planning and Capital Program Management, reviewed what would happen with the capital construction programs under the pro forma budget scenario. He mentioned that investment in capital facilities would be quite low and indicated that under that budget amount for 2003-2005, the Department would be unable to award contracts for things like the replacement of the Seattle urban roadway maintenance facility and the Wenatchee consolidated shops. Mr. Smith indicated that Washington State Ferries would focus the capital investment exclusively on preservation of its assets, and even then, not all of its assets. In highway construction, after subtracting the work in progress, the Department would only have about \$200 million for new starts. The Safety program would be at the bare minimum required by the Federal Highway Administration.

Mr. Smith provided a handout and discussed the preservation levels under the pro forma budget scenario. He indicated that he would be providing the Commission with a proposal for a 2003-2005 budget later this year, with plans to come back in April with suggested subprograms sizes for the Commissions discussion and review. In June, the Commission would be provided with a draft project list for all the capital programs for consideration and adoption in August.

ALASKAN WAY VIADUCT

Dave Dye, Urban Corridors Administrator, gave a presentation on the Alaskan Way Viaduct. He indicated that the Alaskan Way Viaduct carries 110,000 trips a day. After the earthquake, the Department found that there are no viable alternative routes for this important north/south connection. After the earthquake, the Department clearly identified that there is an urgent need to replace or retrofit the existing structure. He stated that experts doing the structural sufficiency analysis of the structure have said that there is a one in 20 chance of a seismic event in the next 10 years that would cause failure of the Viaduct. It could fail in a number of ways: the structure itself has some bad welds,

there is some rebar that is not designed to current codes, the adjacent seawall could fail, or there could be an earthquake that lasts the right length to liquefy the soils under both the seawall and the Viaduct.

Mr. Dye stressed the urgency to move forward with this project. The game plan is to develop options, select an option, build public and constituent support, develop a funding strategy and begin construction of improvements as early as mid-2005.

Tom Madden, Engineering Manager for the Alaskan Way Viaduct, and Bob Chandler, City of Seattle, discussed several design options for the Central, North and South areas of the Alaskan Way Viaduct, that are currently being considered. Designs include, but are not limited to, widening, tunneling, aerial structures, and cut and cover tunnels.

Mr. Dye indicated that the next step is for the Department to select an option. The goal is to select a preliminary plan by early summer and then start working on specific designs to that plan. The Department and the City of Seattle will make a decision on what the preferred plan is with input from the Leadership Group, which includes downtown business representatives, freight interest groups, neighborhood associations, interest and advocacy groups, the Transportation Commission, and the public. He indicated that a funding strategy needs to be developed; and \$35 million is needed to continue work this biennium. Mr. Dye indicated that they will be coming to the Commission with a financing plan that will be used in the budgeting process for 03-05. Multiple funding sources are being considered and include Federal, state, City of Seattle, Port of Seattle, regional, and tolls.

TRANSPORTATION COMMISSION REPORT TO THE PEOPLE

Linda Mullen, Communications Director, discussed the "Transportation at Work: 2000" report to the people. She indicated that this was the first time that the Commission had done an annual report to the people and stated that it was structured, in large part, to support the mission statement for the Department. She indicated that it is time to put together the next annual report and has asked for Commission concurrence on the direction she is proposing.

She indicated that she would like to reduce the length of the report from 36 pages to 12 pages. She stated that the message from the Commission Chair and the Secretary are important, and can help to highlight the accomplishments since the last annual report and talk about challenges ahead. She suggested gathering highlighted information from a variety of data sources including the "Overwhelmed Transportation System", project delivery information - on-time/on-budget performance, the Gray Notebook, and the new budget format - operating and capital, to name a few. She expressed the need that the document be suitable for the web and also printable. In order for graphs and charts to be readable and understandable, four colors should be used rather than two colors.

Ms. Mullen suggested that the document focus around project delivery, accountability, and benefits messages. Commissioner Marr indicated that the Department should take the strongest points and put those up front. He indicated that the next step should be an informal gathering to review an outline.

The Commission meeting adjourned at 11:10 p.m. on February 21, 2002.